

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works		(2) MEETING DATE May 9, 2006		(3) CONTACT/PHONE Richard Marshall Development Services Engineer (805) 781-5280	
(4) SUBJECT Hearing to Consider an Appeal of the South County Road Improvement Fee by J. Papich					
(5) SUMMARY OF REQUEST Jason Papich has applied for a building permit (PMT 2005-02310) to construct a 6,000 square foot commercial storage/shop building on Sheridan Road in the South County Road Fee area. The fee associated with this permit application is \$35,615. Mr. Papich has filed an appeal of the fee.					
(6) RECOMMENDED ACTION It is our recommendation that your Honorable Board deny the appeal.					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): Planning & Building, County Counsel					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent <input type="checkbox"/> Limited Term <input type="checkbox"/> Contract <input type="checkbox"/> Temporary Help					
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input checked="" type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input type="checkbox"/> All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		(15) Maddy Act Appointments Signed-off by Clerk of the Board N/A
(16) AGENDA PLACEMENT <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Hearing (Time Est. 5 Min.) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(19) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A			(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) Agenda Item History <input checked="" type="checkbox"/> N/A
(23) ADMINISTRATIVE OFFICE REVIEW  <div style="text-align: center; font-size: 1.2em;">OK Leslie Brown</div>					

REFERENCE: 06MAY9-H-1

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5-9-06



# SAN LUIS OBISPO COUNTY DEPARTMENT OF PUBLIC WORKS

Noel King, Director

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County Government Center, Room 207 • San Luis Obispo CA 93408 • (805) 781-5252

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Fax (805) 781-1229

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**TO:** Board of Supervisors

**FROM:** Richard Marshall, Development Services Engineer *REM*

**VIA:** Glen L. Priddy, Deputy Director of Public Works - Engineering Services *GP*

**DATE:** May 9, 2006

**SUBJECT:** Hearing to Consider an Appeal of the South County Road Improvement Fee by J. Papich

## Recommendation

It is our recommendation that your Honorable Board deny the appeal.

## Discussion

Jason Papich has applied for a building permit (PMT 2005-02310) to construct a 6,000 square foot commercial storage/shop building on Sheridan Road in the South County Road Fee area. The fee associated with this permit application is \$35,615. Mr. Papich has filed an appeal of the fee. The appeal letter is attached as Exhibit A.

**Basis for adjustment or waiver of the fee.** Section 13.01.050 of the San Luis Obispo County Code states that an adjustment or waiver of the fee may be granted, "based on the absence of any reasonable relationship or nexus between the traffic-generating impacts of that new development, and either the amount of the fee imposed or the type of road facilities or improvements to be financed by the fee."

The South County Study establishes the reasonable relationship, or nexus, required for the imposition of fees within its study area. At the time this application was processed, the most recent update of the Study was adopted by the Board of Supervisors on December 13, 2005. The fees recommended in that update became effective February 14, 2006. Mr. Papich filed the permit application on February 2, 2006 and the Public Works Department sent a notice of the Road Improvement Fee by mail on February 14.

All new developments in the area will contribute to the need for road and other transportation improvements the study recommends. The improvement package is designed to provide the necessary capacity in the network of arterial and collector streets to meet the County's established level of service criteria, as traffic volumes increase with additional development. The

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road improvement fee was designed to apportion the cost of the needed improvements to all new development, based on the amount of traffic generated.

**Evaluation of appeal issues.** In the letter attached as Exhibit A, Mr. Papich raises several issues, which are paraphrased below, along with staff response:

*Appeal point: Future traffic associated with the proposed building will be minimal.*

Response: All new developments that contribute to the need for road and transportation improvements are subject to the Road Improvement Fees. The Road Improvement Fee is based upon the traffic-generating characteristics of the type of development proposed. The South County Circulation Study provides the relationship between the construction of industrial buildings in the study area, and the need for road and intersection improvements to serve the traffic that will be generated. The Circulation Study is based on studies that have been conducted locally and nation-wide, which have determined that the traffic generated by industrial buildings is fairly uniform.

*Appeal point: The road improvement fee for my development down the street was \$7000 so I am surprised at this current fee.*

Response: The amount of the fee is based on the Capital Improvements Program from the most recently-adopted South County Circulation Study. It is based on the cost of the road and intersection improvements that will be needed as the community continues to grow, spread over all new development that contributes to the need for these improvements. The previous development mentioned by Mr. Papich was calculated using the Circulation Study and Fees most recently adopted at the time that permit was processed, and in the same manner as the current application.

*Appeal point: The total construction cost is only \$100,000.*

Response: Fees for industrial buildings are based on square footage of the structure, not construction valuation.

**Prior Board History of Fee Appeals.** Over the 16+ years of the Road Improvement Fee for South County, over \$15.2 million has been collected through payment of this fee with new development. During that time in the South County area, twenty-two appeals have been considered by your Board. Seventeen of these were for single-family residences; fifteen were denied, one was waived, and an adjustment was granted to the other due to concerns about timely notification to the applicant about a fee increase. Four commercial projects and one church facility received fee adjustments in various amounts.

Countywide, appeals of the fee for non-residential construction have been heard by your Board seventeen times. Two were denied and ten fee adjustments and five waivers were granted.

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### **Other Agency Involvement/Impact**

The building permit was processed by the Department of Planning and Building. We have reviewed this item with the office of County Counsel, who concurs with our recommendation.

### **Financial Considerations**

The South County Circulation Study apportions over \$65 million to the payment of road improvement fees by new development. It also allocates approximately \$58 million to other sources, for some of which the County will be responsible to seek other sources of funding. Granting this appeal and adjusting the road improvement fee will result in a small increase in the County's share. Granting this appeal may also have the effect of encouraging other people to seek this same adjustment. This could result in substantial loss of road improvement fee revenue in the future.

### **Results**

The result of the recommended action before your Board today will be a determination that the amount charged to the appellant was appropriate, and consistent with applicable legal requirements and Board Policy, and then no refund would be made.

Attachments: Exhibit A. Appeal letter from Jason Papich

Reference: 06MAY9-H-1

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CJ

EXHIBIT A

**PAPICH CONSTRUCTION**  
GENERAL ENGINEERING CONTRACTOR

Cal. Lic. #767055

**P.O. Box 2210 • Pismo Beach, CA 93448**

(805) 473-3016 Office (805) 481-5966 Fax

**FILED**

**MAR 28 2006**

JULIE L. RODEWALD COUNTY CLERK  
*Christensen*  
DEPUTY CLERK

March 24, 2006

Clerk of the Board of Supervisors  
County of San Luis Obispo Board of Supervisors  
Room 370  
County Government Center  
San Luis Obispo, CA 93408

Re: Road Improvement Fee Appeal

To Whom It May Concern:

I am writing to appeal the amount of the County's Road Improvement Fee for my permit application (PMT2005-02310). I feel the current fee amount is excessive given the future traffic associated with the proposed building will be minimal. The Road Improvement Fee for another of my developments down the street was \$7,000.00 so I am surprised at the \$35,615.00 fee for our current application, especially since the total cost of construction is \$100,000.00. I request a review of the Road Improvement Fee associated with my building permit and seek to have it waived or modified.

Sincerely,



Jason Papich

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